



U.S. Department of State FY 2000 Country Commercial Guide: New Zealand

The Country Commercial Guides for New Zealand was prepared by U.S. Embassy Wellington and released by the Bureau of Economic and Business in July 1999 for Fiscal Year 2000.

International Copyright, U.S. and Foreign Commercial Service and the U.S. Department of State, 1999. All rights reserved outside the United States.

TABLE OF CONTENTS

CHAPTER I. <u>EXECUTIVE SUMMARY</u>	1
CHAPTER II. <u>ECONOMIC TRENDS AND OUTLOOK</u>	3
MAJOR TRENDS AND OUTLOOK.....	3
PRINCIPAL GROWTH SECTORS.....	3
GOVERNMENT ROLE IN THE ECONOMY.....	4
BALANCE OF PAYMENTS SITUATION.....	4
INFRASTRUCTURE.....	5
CHAPTER III. <u>POLITICAL ENVIRONMENT</u>	6
NATURE OF POLITICAL RELATIONSHIP WITH THE UNITED STATES.....	6
MAJOR POLITICAL ISSUES AFFECTING BUSINESS CLIMATE.....	6
THE POLITICAL SYSTEM, ELECTIONS, ORIENTATION OF POLITICAL PARTIES.....	6
CHAPTER IV. <u>MARKETING U.S. PRODUCTS AND SERVICES</u>	8
DISTRIBUTION AND SALES CHANNELS.....	8
USE OF AGENTS/DISTRIBUTORS; FINDING A PARTNER.....	9
FRANCHISING.....	9
DIRECT MARKETING.....	9
JOINT VENTURES/LICENSING.....	9
STEPS TO ESTABLISH AN OFFICE.....	10
SELLING FACTORS/TECHNIQUES.....	12
ADVERTISING AND TRADE PROMOTION.....	12
PRICING PRODUCT.....	13
SALES SERVICE/CUSTOMER SUPPORT.....	14
SELLING TO THE GOVERNMENT.....	14
PROTECTING YOUR PRODUCT FROM IPR INFRINGEMENT.....	14
NEED FOR A LOCAL ATTORNEY.....	18
CHAPTER V. <u>LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENTS</u>	19
BEST PROSPECTS FOR NON-AGRICULTURAL GOODS & SERVICES.....	19
BEST PROSPECTS FOR AGRICULTURAL PRODUCTS.....	20
SIGNIFICANT INVESTMENT OPPORTUNITIES.....	21
CHAPTER VI. <u>TRADE REGULATIONS AND STANDARDS</u>	22

TRADE BARRIERS, INCLUDING TARIFFS, NON-TARIFF BARRIERS AND IMPORT TAXES.....	22
CUSTOMS VALUATION.....	22
IMPORT LICENSES.....	22
EXPORT CONTROLS.....	22
IMPORT/EXPORT DOCUMENTATION.....	23
TEMPORARY ENTRY.....	23
LABELING, MARKING REQUIREMENTS.....	24
PROHIBITED IMPORTS.....	24
STANDARDS (e.g., ISO 9000 USAGE).....	25
FREE TRADE ZONES/WAREHOUSES.....	25
SPECIAL IMPORT PROVISIONS.....	26
MEMBERSHIP IN FREE TRADE ARRANGEMENTS.....	26
 CHAPTER VII. <u>INVESTMENT CLIMATE</u>	27
OPENNESS TO FOREIGN INVESTMENT.....	27
CONVERSION AND TRANSFER POLICIES.....	28
EXPROPRIATION AND COMPENSATION.....	28
DISPUTE SETTLEMENT.....	28
PERFORMANCE REQUIREMENTS/INCENTIVES.....	28
RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT.....	28
PROTECTION OF PROPERTY RIGHTS.....	29
TRANSPARENCY OF THE REGULATORY SYSTEM.....	29
EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENT.....	30
POLITICAL VIOLENCE.....	31
CORRUPTION.....	31
BILATERAL INVESTMENT AGREEMENTS.....	31
OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS.....	31
LABOR.....	31
FOREIGN TRADE ZONES/FREE PORTS.....	31
FOREIGN DIRECT INVESTMENT STATISTICS.....	32
 CHAPTER VIII. <u>TRADE AND PROJECT FINANCING</u>	33
DESCRIPTION OF BANKING SYSTEM.....	33
FOREIGN EXCHANGE CONTROLS AFFECTING TRADE.....	34
GENERAL FINANCING AVAILABILITY.....	34
HOW TO FINANCE EXPORTS / METHOD OF PAYMENT.....	34
TYPES OF EXPORT FINANCING AND INSURANCE.....	34
AVAILABILITY OF PROJECT FINANCING.....	34
TYPES OF PROJECTS RECEIVING FINANCING SUPPORT.....	34
LIST OF BANKS WITH CORRESPONDENT U.S. BANKING ARRANGEMENTS.....	34
 CHAPTER IX. <u>BUSINESS TRAVEL</u>	36
BUSINESS CUSTOMS.....	36
TRAVEL ADVISORY SERVICES AND VISAS.....	36
HOLIDAYS.....	36
BUSINESS INFRASTRUCTURE.....	36
TEMPORARY ENTRY OF GOODS.....	37
INFORMATION ON TYPICAL PRODUCT PRICING STRUCTURES.....	37
 CHAPTER X. <u>APPENDICES</u>	38
APPENDIX A - COUNTRY DATA.....	38
APPENDIX B - DOMESTIC ECONOMY.....	39

APPENDIX C - TRADE.....	39
APPENDIX D - INVESTMENT STATISTICS	40
CHAPTER XI. <u>U.S. AND NEW ZEALAND CONTACTS</u>	42
APPENDIX E - U.S. AND NEW ZEALAND CONTACTS.....	42
CHAPTER XII. <u>MARKET RESEARCH AND TRADE EVENTS</u>	46
APPENDIX F - MARKET RESEARCH.....	46
APPENDIX G - TRADE EVENT SCHEDULE.....	47

COUNTRY COMMERCIAL GUIDE NEW ZEALAND

Fiscal Year 2000

CHAPTER I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at New Zealand's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. embassies through the combined efforts of several U. S. Government agencies.

New Zealand can be the ideal export destination for certain new-to-export companies. New Zealand is an English-speaking country with a strong and stable democracy. Business practices are very similar to those in the U.S. While New Zealand's population is small, Kiwis tend to be very adaptable and eager to try new technologies. New Zealand's strong export record with Japan and its positive trend of export growth to the ASIAN community of nations also makes it an appropriate joint venture partner for value addition and re-exportation of U.S. made goods.

The United States is New Zealand's second largest trading partner. New Zealand ranks in the top 50 (41st in 1993) of U.S. export markets. Within the harmonized code categories, items in Chapter 84 (boilers, machinery and mechanical appliances and parts thereof), Chapter 88 (Aircraft, and parts thereof) and Chapter 85 (electrical machinery and equipment, and parts thereof), accounted for 49% of total harmonized classifications' imports in 1997. Also, during that same period there has been a significant measure of shifting of lower volume activity from one to another classification, reflecting new market opportunities to U.S. exporters.

New Zealand companies and foreign exporters to New Zealand operate in one of the least regulated markets in the world. The foundation of New Zealand's growing economic prosperity has been its relatively low interest rates and very low inflation, combined with political stability and business deregulation.

Foreign goods and investors are welcome; particularly those operating in sectors that can contribute to foreign-exchange earnings and employment. Frequent requests for manufacturing and service industry contacts, along with the U.S.'s strong trading position with New Zealand, reflect a high regard placed on U.S. products and services.

Major business opportunities for U.S. exporters will emerge from the growing discretionary income of the New Zealand consumer public (a function of its growing economy) and its recent emphasis on consumer choice. Niche markets (e.g., specialty food, cellular telephones, paperback books, film and videos); hospital supplies; and agricultural production items (e.g., machinery, chemicals, counter seasonal fruits and vegetables) present promising signs for growth.

Competition is open and encouraged by the economic reforms undertaken by the New Zealand Government. The only disadvantage to U.S. imports occurs when competition is faced from similar, tariff free, products made in Australia.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact STAT-USA at 1-800-STAT-USA for more information.

Country Commercial Guides can be accessed via the World Wide Web at <http://www.stat-usa.gov>; <http://www.state.gov/>; and <http://www.mac.doc.gov>. They can also be ordered in hard copy or on diskettes from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general assistance export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce's Trade Information Center by phone at 1-800-USA-Trade or by fax at (202) 482-2000.

CHAPTER II. ECONOMIC TRENDS AND OUTLOOK

MAJOR TRENDS AND OUTLOOK:

Economic activity in New Zealand has accelerated following a mild recession in the first half of 1998 due to the Asian financial crisis. In 1998, the economy contracted 0.3% in real GDP. Economic growth is now positive, but is forecast to remain below 2% annually until the year 2000. The current account deficit reached 6.6 percent of GDP in 1998, but is expected to fall to 5.8 percent of GDP in 1999. Unemployment (down to 5.6 percent of the labor force in late-1996) increased to 7.2 percent in the first quarter of 1999.

The Government's financial position remains sound. The operating surplus for the twelve months ended June 30, 1998 was NZD 2.5 billion, an increase of 600 million from the surplus for FY 1996-97. However, the operating surplus may fall over the coming year due to pressure on the government's accounts from health care and education expenditures. The Government is working to draw down public debt. Net public debt as a share of GDP was estimated at 24% at the end of 1998, reduced from 27% of GDP in early 1997.

Faced with a weak outlook for growth and an absence of inflationary pressures, the Reserve Bank has allowed some easing of monetary conditions. The underlying inflation rate for 1998 was 1.7 percent, the middle of the Reserve Bank's 0-3 percent inflation target band. The falling exchange rate is putting upward pressure on prices and inflation may rise a percentage point over the next year.

PRINCIPAL GROWTH SECTORS: Between 1997 and the year 2001, the largest contributors to annual growth are expected to come from communications; fabricated metals; transport; community and personal services (e.g., health care and entertainment); finance and business services; non-metallic metals; food production; wood products; and chemicals. Generally, the lower performing sectors tend to be those producing commodity-type goods (agriculture, basic metals, mining and fishing), while higher performing sectors are those with a higher value-added content. This trend is indicative of a country moving from an agricultural based economy to a manufacturing and service economy.

As estimated by the New Zealand Institute of Economic Research, annual average percentage real GDP growth in these sectors for the years ending in March 1997-2001 is projected as follows:

Communications	6.5%
Fabricated Metals and Other Manufactures	4.7%
Transport and Storage	4.5%
Forestry and Logging	4.5%
Financing, Insurance, and Business Services	3.9%
Community and Personal Services	3.9%
Non-Metallic Metals	3.4%
Food, Beverages and Tobacco	3.5%
Wood Products	3.3%
Chemicals	3.3%

Agriculture is expected to show an actual contraction in contribution to real GDP. Other traditional growth sectors -- such as construction -- will continue to contribute positively to overall growth but not as much as in the past.

In terms of sector GDP as a percent of the total, finance and business services are projected to contribute 15.6 percent on average during 1997-2001; and trade, restaurants, and hotels 15.4 percent. Manufactured products together (food, textiles, apparel, leather, wood products, paper, printing, chemicals, rubber, plastics, basic metals, fabricated metals, and minerals) are projected to contribute almost 20 percent of the GDP on average. After a period of strong activity (1993-95), construction growth has eased in recent years in response to tighter monetary conditions and will, therefore, contribute only about 4.6 percent of GDP over the entire forecast period.

Services (particularly communications, trade, and transportation) will make an increasingly large contribution to New Zealand's foreign exchange earnings. Despite sluggish or negative growth since 1994, manufactured goods continue to make the largest absolute contribution to export growth, still benefiting from the economic reforms of the last 13 years and heavy investment in production capacity during 1994-95. Manufactured exports account for 62 percent of total export earnings. The sectors predicted to experience the greatest foreign exchange earning growth during 1997-2001 are (in decreasing order of export potential): fabricated metals; communications; trade; chemicals; wood products; forestry and logging; and transport. However, tourism and agricultural products (and manufactures based on agriculture) will continue to contribute heavily to total foreign exchange earnings despite the dampening effect in recent years of a strong New Zealand dollar. Food processing alone accounts for 33 percent of New Zealand sales abroad, with relatively little agricultural output exported directly abroad.

GOVERNMENT ROLE IN THE ECONOMY: In 1986, New Zealand began a reform of its economy and state sector from a protectionist, social welfare state to an open, liberal economy. As of June 30, 1997, full time equivalent employees in the state sector were 31,662, down from 70,000 in the 1980's. Small departments characterize New Zealand's public service with sharply defined roles in policy advisory, service delivery, regulatory, or sectoral funding functions. Many former government functions and assets have been privatized, a process which is continuing. Social benefits are being more targeted or reduced, although the government continues to fund universal health care, non-contributory superannuation (social security), and to subsidize tertiary education.

Tariffs are applied to only 4% of imports and will be phased out completely by 2006. Anti-trust is less vigorously pursued than in the United States. The government's long term fiscal objectives are to lower net government debt to below 15% of GDP and to lower government expenses to below 30% of GDP. In order to make progress in meeting these goals; the government has run surpluses since 1994. In 1998, net government debt was 24% of GDP

BALANCE OF PAYMENTS SITUATION: New Zealand's external balance has been deteriorating since mid-1993, a trend that is expected to continue well into next year. In 1998, the current account deficit was NZD 6.5 billion – 6.6% of GDP. The deficit is expected to decline after the year 2000.

Exports to Asia have fallen significantly since 1996. The fall in exports to Asia was more than offset by growth in exports to other markets, particularly the United States. Exports in the year ended June 1998 were 0.05 percent higher than the year ended June 1997. The merchandise trade deficit for the year ended June 30, 1998 was NZD 600 million.

The United States recently overtook Japan as New Zealand's second largest trading partner. The growth in exports to the United States has been the key factor in maintaining New Zealand export volumes. The Government is counting on greater regional and global trade liberalization to expand market access in future. New Zealand is successfully increasing exports to countries outside Asia, which have not historically ranked in New Zealand's top twenty export destinations.

INFRASTRUCTURE:

New Zealand's infrastructure is generally in good shape and suited to its circumstances. Approximately 85 percent of New Zealand exports by value, and over 99 percent by volume, are carried by sea. New Zealand shipping policy reflects the view that the country's best interests are served by being a ship-using, rather than ship-operating, nation -- the government seeks to ensure unrestricted access to carriers by New Zealand exporters. Ferries operated by New Zealand Rail run frequently between the North and South Islands.

New Zealand Rail was privatized in 1993 and is owned by a corporation comprising Wisconsin Central Transportation Corporation, Berkshire Partners and Fay, Rich, White & Company Limited. Since privatization, the company has transformed itself from a line haul rail company to a multi-modal transport operation providing freight and distribution services, warehousing, and logistics management, as well as passenger services.

In 1996-1997, the number of aircraft on New Zealand's register was 3,419, giving New Zealand one of the highest ratios of aircraft to population in the world. Deregulation of domestic aviation traffic facilities and services began in 1983 and was completed in 1990. Air New Zealand and Ansett New Zealand are the major domestic operators. New Zealand has international airports in Auckland, Wellington, and Christchurch. The central government will soon be divested of any ownership share in these airports. Its shares in the Auckland airport were sold earlier this year and the government has decided to sell its share of the Wellington airport as well.

New Zealand has 91,800 kilometers of roads and streets and over 2.3 million motor vehicles. Capital investment in New Zealand's roading and road transport system exceeds that in all other forms of transportation. New Zealand lacks an intercity highway system. Roads between cities are winding, often climbing through mountain and hill regions, with usually a single lane in each direction.

About 80 percent of New Zealand's electricity needs are met by renewable resources. Over half this amount is hydroelectricity generated on the South Island. Much of this electricity is used on the North Island, with power transmitted between the islands via a high voltage direct-current link. The government has required utilities to separate the generation and line operations.

Both New Zealand's private and public sectors are making progress in Y2K preparedness. Due to its close proximity to the international dateline, New Zealand will be the first developed country to move into the new millennium.

CHAPTER III. POLITICAL ENVIRONMENT

NATURE OF BILATERAL RELATIONSHIP WITH THE UNITED STATES: U.S. relations with New Zealand are generally excellent. The two countries cooperate closely on a wide range of trade, scientific, and other issues. New Zealand and the United States cooperate closely on advancing free trade interests in a multinational fora. Bilateral irritants in the trade relationship emanate from monopsony pharmaceutical purchasing practices and the New Zealand government's decision to allow parallel imports. The major political disagreement concerns New Zealand's legislation prohibiting the entry of nuclear-powered or nuclear-armed vessels. Having determined that New Zealand's anti-nuclear law is incompatible with full military cooperation, the U.S. Government suspended its security obligations to New Zealand under the ANZUS Treaty. Since February 1994, the U.S. has restored senior-level contacts on political, strategic, and broad security issues with New Zealand in hopes that upgraded dialogue would, over time, resolve the dispute and lead to the restoration of the full relationship the two countries enjoyed before 1987. In March 1995, former Prime Minister Bolger visited the White House and in July 1998, Secretary of State Albright visited New Zealand. Relations continue to warm under Prime Minister Shipley, but the anti-nuclear legislation remains a block to ally status and full security relations.

MAJOR POLITICAL ISSUES AFFECTING THE BUSINESS CLIMATE: The government is now balancing public expectations for increased social spending, primarily in the areas of health and education, with its commitment to fiscal responsibility. Campaigning for November 1999 parliamentary elections has focused on these issues.

THE POLITICAL SYSTEM, ELECTIONS, ORIENTATION OF POLITICAL PARTIES: New Zealand is a parliamentary democracy within the British Commonwealth, with a unicameral legislature. The head of Government is the Prime Minister, who must be a Member of Parliament, and who is usually the leader of the political party with the largest number of seats in Parliament. The Head of State is the British Monarch, represented in New Zealand by the Governor General. The Cabinet, formed of Ministers chosen by the governing party or parties from among its Members of Parliament, governs through ministries and departments staffed by professional civil servants. The court system is based on the British legal system. The highest court of appeal is the Privy Council in London.

In a referendum associated with the parliamentary election of November 6, 1993, New Zealand decided to shift to proportional representation for elections to its Parliament. The first "mixed-member-proportional," or "MMP," Parliament was elected in October 1996. A coalition government was formed, controlled by the National Party and its junior coalition partner, New Zealand First. Problems between National and New Zealand First, as well as within New Zealand First, resulted in the breakdown of the coalition in September 1998. However, the National Party has been able to continue in power notwithstanding its minority position, due to support on confidence and supply measures from parliamentary representatives from ACT and United New Zealand, as well as some independent parliamentarians, including a number of New Zealand First defectors. The National Party, in office since 1990, is considered to be the most business- and free-market-oriented of the two major parties. The opposition Labour Party, traditionally the country's second largest party, introduced most of the reforms which brought New Zealand back into a market-oriented economy in the late 1980's. It now, however, places less emphasis on the market approach and has generally emphasized social welfare issues in its critique of the National Government's program. At its last party conference the four-party Alliance – a grouping of left wing liberal, democratic, and Maori parties -- indicated its willingness to join in coalition with the Labour party. The Alliance supports a larger role for the Government in the economy in promoting full employment and generous social benefits, and is concerned about New Zealand's rising dependence on foreign investment, imported goods, and foreign ownership of New Zealand assets.

Under New Zealand law, the next parliamentary election must be held by mid-November 1999.

CHAPTER IV. MARKETING U.S. PRODUCTS AND SERVICES

DISTRIBUTION AND SALES CHANNELS: Marketing channels in New Zealand are very similar to those found in the U.S. Until May 1998, the principal import channels were sales agents, importer-distributors (distributors who import and stock certain lines and take orders for direct shipment of others), and direct importers and users. In May 1998, the GNZ repealed its prohibition on parallel importing, opening the door for importers to access world best prices, despite approved distribution channels. It is too early to tell what impact this practice will have on U.S. made goods.

Sales agents are the common medium for selling a variety of products, including producer's materials bought according to specifications and consumer goods for distribution to large wholesalers and retailers. Even before the recent parallel importing law changes, the preference for buying direct (to reduce overheads) from manufacturers was well established. To counter that trend, a number of sales agents that carry broad ranges of products have utilized technical personnel specifically trained to market products requiring specialized knowledge.

Agents or importer-distributors are a common channel for the distribution of products involving technical knowledge, services, repairs and parts, and other more involved services for the manufacturer. The size of the market will allow one to two distributors per unique product/manufacturer. Typical products handled include metalworking machinery and equipment; agricultural and electrical machinery; transportation, medical, and scientific equipment; measuring and testing instruments; and certain kinds of consumer durables. Importer-distributors frequently are used to sell certain chemical products, textiles, foodstuffs, and other consumer goods where stocked supplies are an important factor. A number of large retailers also buy through purchasing agents and/or consolidators in the United States and other countries. There is a good network of agencies that specialize in handling refrigerated and frozen foodstuffs throughout New Zealand.

Numerous subsidiaries of foreign manufacturers import directly from parent companies and distribute products to round out or supplement their domestic production. Import and distribution by a New Zealand branch or subsidiary is common when the volume is substantial and the foreign parent wishes to retain control of distribution.

A number of well-established companies with nationwide networks of offices perform, in addition to trading activities, a broad range of other functions such as transportation, packaging, manufacturing, and distribution at both the wholesale and retail levels. These firms are usually excellent representatives for new products seeking market penetration, although they usually import products to complement existing lines.

With the growth of the New Zealand economy, there has appeared some blurring of the traditional pattern of the channels of distribution. In the past, wholesalers provided the link between manufacturers and retailers. Today large department and chain stores dealing directly with manufacturers or having factories of their own, and associations of retailers buying in bulk, together account for a significant volume of goods. In addition, some manufacturers have established organizations for the purpose of selling direct to retailers, while smaller manufacturers often sell to retailers located in areas adjacent to their factories. Wholesalers sometimes extend the scope of their activity to include manufacturing, packaging and retailing.

USE OF AGENTS/DISTRIBUTORS; FINDING A PARTNER: Many New Zealand agents and distributors are active participants in trade fairs worldwide as both exhibitors and attendees. This activity places them in direct contact with new product opportunities. Manufacturers then use private sector credit and reference checking resources to verify the competency of the agent-distributor.

In New Zealand, the Commercial Service (CS) has had a great deal of success with the Trade Opportunity Program (TOP), Agent/Distributor Service (ADS), Customized Market Analysis (CMA), and most recently the Gold Key Service (GKS), as productive means for U.S. manufacturers to locate effective sales and distribution channels. The U.S. Foreign Agricultural Service (FAS) (Wellington) has a comprehensive listing of food importers and distributors as well as their principal contacts, and also offers exporters the Agxport Service buyer alert network to find buyers.

FRANCHISING: While franchising in New Zealand has only been active in the last seven years, it is becoming an increasingly important way of doing business as New Zealand companies seek ways to expand in a cost-effective yet profitable manner. Small to medium size businesses (1 to 50 people) comprise about 85% of New Zealand businesses. Many of those businesses are taking advantage of the economic upturn and franchising their businesses. According to recent estimates, there are 400 franchisees and four thousand franchisees in New Zealand. Most of the initial growth has been concentrated in retail, but has recently included the service sector. Specific regulations governing franchising had not been enacted or proposed.

U.S.-based companies have found a great deal of success in franchising in New Zealand. The best example is McDonalds, which has its fourth largest franchise location per capita in New Zealand (after the U.S., Canada, and Australia).

DIRECT MARKETING: Direct marketing started in New Zealand with direct mail solicitation, often for articles of apparel. In the last seven years, it has become the fastest-growing distribution channel in New Zealand. The New Zealand Direct Marketing Association estimates that direct marketing is now a US 1.34 billion-dollar industry. The Association's membership grew by more than 40% in 1995.

The deregulation and privatization of the postal system (N.Z. Post) have opened the door to special services. N.Z. Post offers everything from bulk mailing rates, data processing, and bonded goods storage to remittance processing. All but the mail processing is also offered by private third parties. Direct television marketing activity has increased with local television infomercials now common and international marketing companies using international pay-for-view channels such as ESPN and CNN that access more than one country. Retailers and the educational sectors use direct response press activity to publicize immediate opportunities. Telemarketing is used for direct sales, lead generation, inquiry qualification, customer service operations, surveying and research, validation of previous orders, promulgating advertising messages and public image building, credit handling and for 0800 number (akin to 800 numbers in the U.S.) marketing -- telemarketing's hottest growth area.

JOINT VENTURES/LICENSING There are no compulsory requirements for foreign companies to form a joint venture with a New Zealand entity when starting up operations. Some U.S. firms do choose, for their own strategic reasons, to join forces with established New Zealand firms to jointly manufacture and market their products.

Licensing by the New Zealand Government for export and import activity was repealed as part of the significant deregulation of the economy that began in 1984.

STEPS TO ESTABLISH AN OFFICE:

1. INDIVIDUAL PROPRIETOR: As in the United States, an individual may establish a business without incorporation, subject to various formalities and authorizations that may apply to specific types of activities. The owner has the sole responsibility for the operation and is personally liable for debts of the business.

2. PARTNERSHIP: The types of partnerships and the general principles relating to the rights and liabilities of partners are similar to those applying under English or American law. Generally, a partner is jointly and separately liable for all debts of the firm while that person is a partner.

A special partnership, similar to a limited partnership under English law, may be formed for transaction of business other than banking and insurance. Such a partnership must be registered and consist of general partners and special partners. Special partners may not transact the business of the partnership. Rather, they contribute specific sums of money to the capital of the business and, beyond that sum, they are not generally responsible for any debt of the partnership.

3. COMPANY: New Zealand company's law has recently been substantially amended. From July 1, 1994, the new Companies Act 1993 will govern all new companies (and existing companies which re-register under the new Act). The Companies Act of 1955 will continue to govern existing companies until they voluntarily re-register, or until 30 June 1997, whichever is the sooner.

Under both Acts, companies may have limited or unlimited liability. However, the great majority of companies are established as limited liability companies. The shareholders of limited liability companies are liable to creditors on dissolution only to the extent of any unpaid calls on their shares. A limited liability company must have the word "Limited" as the last word of its name.

Under the new Act, there is no distinction drawn between private and public companies. However, under the 1955 Act, private companies need not observe all the requirements applying to public companies, examples being the rules relating to forming companies, passing resolutions, and audits.

4. REGISTRATION: Registration must be granted by the Registrar of Companies and an IRD number assigned by the Inland Revenue Department. From July 1, 1994, new companies must have at least one share, at least one shareholder, and at least one director. To become incorporated, an application for registration involves the following documents:

- signed application in the prescribed form;
- signed consents relating to shareholders and directors;
- notice reserving the name of the proposed company (previously obtained from the Registrar); and
- certified copy of the company's constitution (if it is to have one; this is optional).

A certificate of incorporation is deemed conclusive evidence that a company has been duly incorporated under the Act.

Companies must maintain proper accounting records and prepare an annual report, including financial statements, for shareholders. Companies also must file an annual return at the Companies Office.

5. REGISTRATION of OVERSEAS COMPANIES: As of July 1, 1994, Part XVIII of the new Act provides for companies incorporated outside New Zealand to carry on business in New Zealand. An overseas company must not carry on business in New Zealand unless the name of the overseas company has been reserved with the Registrar of Companies. Within 10 days of commencing business in New Zealand, an overseas company must apply for registration under the Act. Registration involves an application stating:

- the name of the company;
- the full names and addresses of directors;
- the address of the principal place of business in New Zealand;
- evidence of overseas incorporation and a copy of an instrument defining the constitution of the company;
- notice of name approval; and
- the name and address of a person who is authorized to accept service in New Zealand on behalf of the overseas company.

Overseas companies must file an annual return with the New Zealand Companies Office. Further, under the Financial Reporting Act 1993, overseas companies are required to keep accounts relating to their New Zealand business, and to file financial statements at the Companies Office once a year. The Registrar may accept financial statements prepared under the rules of the country of incorporation as complying with the New Zealand requirements.

Every overseas company must ensure that its full name and the name of the country in which it is incorporated are clearly stated in any communication sent by or on behalf of the company, and in any documents that evidence or create a legal obligation of the company.

6. OVERSEAS INVESTMENT COMMISSION: (see CHAPTER VII, OPENNESS TO FOREIGN INVESTMENT).
7. REPATRIATION of CAPITAL and FOREIGN REMITTANCES: Repatriation of overseas capital and capital gains is permitted. It is the policy of the New Zealand Government to allow the remittance of profits, interest and dividends earned by overseas investors. This policy applies to loan investment as well as to direct and portfolio investments.

The only impediment to repatriation of capital falls under the New Zealand Income Tax Amendment Act (No 3) 1993. The Underlying Foreign Tax Credit regime allows a credit against the New Zealand company's foreign dividend withholding payment liability for tax paid by an affiliated overseas company on its profits. To be eligible for the credit, the New Zealand recipient company must hold an interest in the paying company being: (1) a 10 percent or greater income interest in a controlled foreign company, or (2) a 10 percent or greater voting interest in a foreign investment fund, the income of which is accounted for under the branch equivalent system. Nonresident investors (individuals or businesses) who hold less than 10 percent of the shares of the recipient company receive, in addition to the cash dividend, an imputed tax credit based on a portion of the overseas tax payment by the affiliate. However, no tax credit benefit is available for foreign investors who own more than 10 percent of the shares of the New Zealand Company.

8. SHELF COMPANIES and LEGAL ADVICE: Shelf companies and specific legal advice relating to New Zealand incorporated companies are readily available in any of the New Zealand metropolitan areas. (See part V under Need For Local Attorney.)

SELLING FACTORS/TECHNIQUES: Both sales presentations and problem solving techniques are used successfully in New Zealand as approaches to selling. One-on-one discussions with potential buyers are the predominant method of selling capital intensive or service products to other businesses. Telemarketing and mass media advertising are used most often by retailers to communicate to the public new products or purchasing opportunities.

ADVERTISING AND TRADE PROMOTION: Advertising is well developed in New Zealand and is used by a large cross section of the business and institutional community to inform the public about goods and services. As of March 1996, there were approximately 150 advertising agencies employing 1000 people in New Zealand. Of the 150 agencies, 121 were New Zealand owned, with the remainder either affiliated to multinationals by total or partial ownership.

The largest advertising expenditure made through agencies is placed with television (36%), followed by daily newspapers (32%), radio (12%) and magazine (10%).

New Zealand supports 28 daily newspapers. Eight of these are morning newspapers and 20 are published in the evening. Of the eight morning dailies, the one with the largest circulation is The New Zealand Herald, which is published in Auckland and has an audited net circulation of 221,047 copies daily. Other major newspapers are The Dominion (Wellington – 70,310) and the Evening Post (Wellington – 63,622), The Waikato Times (Hamilton – 41,083), The Press (Christchurch - 100,500), and the Otago Daily Times (Dunedin – 45,352). There are two national Sunday newspapers, the Sunday Star Times (circulation 196,000) and the Sunday News (circulation 108,000).

Currently, two major companies own the majority of the country's daily papers. The two major publishing groups are Independent Newspapers Limited (eight papers) and Wilson and Horton Limited (8). These two firms account for 90% of the country's one million daily circulation.

The leading business journal is The National Business Review (circulation 14,023). It is published weekly by Liberty Holdings Ltd. in Auckland. Late in 1993, a second weekly financial journal called The Independent (circulation 11,045) came on the market. Pauanui Publishing Ltd. in Auckland publishes it.

There are more than 2,300 magazines available in New Zealand on a regular basis. Of this number, 129 are listed with the New Zealand Audit Bureau of Circulations as either published in New Zealand or New Zealand editions. Most local magazines (60) are published monthly, 30 are published on an alternate month basis, 10 are weeklies and seven are quarterlies.

New Zealand is serviced nationally by three television stations, a pay television vendor that presently offers five additional choices and a hybrid fibre-coaxial cable company. Television New Zealand (TVNZ), the operator of two of the three (free) commercial channels, is a State Owned Enterprise (SOE) run independently from the Government. It claims to have almost 100 percent coverage in New Zealand. TV3 Network Ltd. (TV3) is New Zealand's privately owned commercial network and reaches about 96% of the population.

Sky Television (51% owned by U.S. companies) was the first pay television operator in New Zealand. It offers a 24-hour news (CNN and BBC) channel, a movie channel (HBO), a sports

channel (ESPN), a family channel (Orange), and a documentary channel (Discovery) combined with local horse racing (Trackside).

Saturn Communications(70% owned by United International Holdings) is the first hybrid fibre-coaxial telecommunication company in New Zealand. It has chosen the Hutt Valley and Wellington as its start-up (April 1998) market. Saturn offers both cable television and phone service to its customers.

There are nine local community television stations, of which five are operated by TVNZ. In 1996, the GNZ announced that UHF television frequencies were reserved for non-commercial use in Auckland, Christchurch, and Dunedin. None of these UHF stations is yet operational.

At the end of 1996 there were 180 radio stations which were broadcasting separate programs on a continuous basis. All but three are privately owned.

There are two self-regulatory bodies in New Zealand's advertising industry, the Advertising Standards Authority and the Advertising Standards Complaint Board. Additionally, the Broadcasting Standards Authority (statutory) is responsible to radio and television advertising code and adjudication.

PRICING PRODUCT: There are no Government price control regulations. Statutory marketing boards (see CHAPTER VI. under EXPORT CONTROLS) maintain export prices on certain agricultural products.

SALES SERVICE/CUSTOMER SUPPORT: Sales service and customer support is a growing area of focus for New Zealand retailers and manufacturers. Historically, under the controlled economy of the 1950's and 1960's, the consumer did not have many choices or opportunities to speak out. With the removal of import and export licenses and further movements to encourage competition in the marketplace, the buyer has become more demanding and sophisticated; a buyer's market exists. The entrances of U.S.-based retailers and franchises like McDonalds have received glowing reviews on the level of service. Also, as the population has become better traveled, expectations of product quality and service have increased. Consequently, consumer pressure on the entire marketing chain has also increased.

SELLING TO THE GOVERNMENT: New Zealand has effectively removed all barriers to foreign firms bidding and winning procurement contracts. The Closer Economic Relationship (CER) with Australia allows Australian goods to be considered equal to New Zealand goods (see part VI, under Membership in Free Trade Arrangements). While there are no laws that require "local content" consideration, the New Zealand Government has encouraged its Ministries and State Owned Enterprises (SOE) procurement officers to buy New Zealand made products when all other factors are equal. This consideration is only to be applied when all bids are equal and the tenderer reviews "local content" values to finalize the purchase decision.

The New Zealand Government has yet to sign the GATT Government Procurement Code. Government departments and the SOE's must act as efficiently as possible within their limited budgets and may purchase from any source, if they believe it offers good products at a reasonable price. The Government believes that since purchasing decisions have been decentralized, open and transparent tender offers are assured; and, that its procurement policy is actually more liberal than that required by the GATT Government Procurement Code.

Generally, American businesses have not registered any complaints about their relationships with the New Zealand Government or its SOE's concerning the tendering of procurement opportunities.

PROTECTING YOUR PRODUCT FROM IPR INFRINGEMENT: Pirated goods are prohibited in this country. New Zealand's patent laws are legislated through the Patents Amendment Act, 1994, the Trade Marks Amendment Act, 1994, the Geographical Indication Act, 1994, the Layout Designs Act, 1994 and the Copyright Act, 1994:

1. PATENTS AND DESIGN: The Patents Act 1953, as amended by the Patents Amendment Act 1994, and the Designs Act 1953, constitute the basic New Zealand legislation governing these forms of industrial property protection.

Patents are obtainable for "any manner of new manufacture," a phrase to which a wide interpretation is given. Those who wish to protect an invention by a patent should arrange for a search of New Zealand Patent Office records to determine what has been done in the same field. If the invention appears to be one that is novel and able to be patented, an application may be filed at the Patent Office, accompanied by either a provisional or complete specification describing the invention. The documents must meet formal requirements, and a fee must accompany the application.

An application for a patent may be made in either of two ways:

- (a) the applicant may apply in the first instance with a provisional specification and then file a complete specification at a later date within 12 months or, with application for extension of time, within 15 months; or
- (b) the applicant may file a complete specification at the time of making the application.

The Paris Convention for the Protection of Industrial Property ("Paris Union"), to which New Zealand is a party, provides that a person (or his/her personal representative or assignee) who has filed an application for a patent in one Paris Union country has the right, within 12 months from the date of the first application in the Paris Union country, to claim priority for a subsequent application in respect of the same invention in any other Paris Union country. In New Zealand such a subsequent application must be accompanied by a complete specification, together with certified copies of the application filed abroad.

New Zealand is also a member of the Patent Cooperation Treaty (PCT) and can, therefore, be included as a designated country when making applications by this route.

An application with a complete specification is examined in the Patent Office to determine whether the invention meets the conditions for the grant of a patent. For example, a complete specification must describe the invention and the method by which it is to be performed; disclose the best method for performing the invention, which is known to the applicant and for which the applicant is entitled to claim protection; and, have a claim or claims which define the scope of the invention. The application also will be examined to determine whether it is novel in New Zealand at the date of priority. If the application passes the examination stage, it is accepted and published in the Patent Office Journal. Thereafter, the application is open for a period to opposition by any interested party. If the opposition stage has passed successfully, the patent is granted for a 20-year term from the filing date of the complete specification.

A New Zealand patent is a limited monopoly granted by the Crown (New Zealand Government) to make, use, exercise, and vend an invention and its products throughout

a 20-year period, with the proviso that it may be terminated in certain circumstances. Those who infringe on patent rights are liable for damages and other penalties.

The New Zealand Patent Office does not make searches for members of the public (except trademark searches), but will assist inquirers wishing to search the registers or the collection of New Zealand and foreign patent specifications. No search fees are charged.

The Patent Office has a complete record of all patents granted in New Zealand. There is also a comprehensive library of specifications from overseas countries. Those not familiar with the practice of the Patent Office are advised to employ a patent attorney for searches and all work relating to patents. The Patent Office will supply a list of attorneys upon request.

Inventions, which are the subject of patent rights, may be used only under license, normally obtained from the patentee. The Patents Act of 1953 gives protection against the abuse of patent rights, and compulsory licenses and other remedies are available.

Designs may be registered to obtain protection for the shape, configuration, pattern, or ornament applied to articles by an industrial process or means. The system for searching the register of designs is similar to that for patents. To register a design, an application must be made, supplemented by drawings or photographs of the design. The convention priority period for designs is six months, in contrast with the 12 months for patents. An application is examined and a search for novelty is made. The term of registration is five years from the date of application, which may be extended to 15. A design registration may be canceled if found to be invalid for any reason.

2. TRADEMARKS: The Trade Marks Act 1953, as amended by the Trade Marks Amendment Act 1994, provides for the registration, in respect of particular goods or services, of a sign or combination of signs, capable of being represented graphically and capable of distinguishing the goods or services of one person from those of another. A "sign" includes, but is not limited to, a device, brand, heading, label, ticket, name, signature, word, letter, numeral, color or any combination of these. Thus, a registerable trademark may potentially include the shape of goods themselves, the shape of packaging, smells and sounds, if capable of graphical representation. The appropriate classification of goods and services is determined according to the Nice Agreement on the International Classification of Goods and Services, although New Zealand is not yet a party to that agreement.

Registration may be permanent subject to payment of renewal fees. To obtain registration of a trademark, it must have been used or proposed to be used. A trademark may be expunged from the register on the grounds of non-use.

A trademark registration is infringed by the unauthorized use of the identical sign on any goods or services for which the sign is registered, or the unauthorized use of the identical or a similar sign on those goods or services, or similar goods or services, if such use would be likely to deceive or cause confusion.

As with patents and designs, there is a register of trademarks, which is publicly available for searching. It is important that this register be searched before a new trademark is launched to ensure that there will be no infringement of any existing trademark registration.

The registration of trademarks is not essential for protection, but those who use marks without registering them must rely for their protection on common law rights and remedies.

Definite statutory rights are given to registered proprietors. Since the value of a well-known trademark may be high, its registration is desirable.

The Geographical Indications Act 1994 establishes a registration system for the protection of descriptions or presentations used to indicate a geographical origin for specified goods. Initially the only specified goods covered by the Act will be wines.

3. PLANT VARIETY RIGHTS: A system of protection for plant varieties, known as plant variety rights (PVR), is administered by the Plant Variety Rights Office in accordance with the Plant Variety Rights Act 1987 ("the Act"). New Zealand is a member state of the International Union for the Protection of New Plant Varieties (UPOV), adhering to the 1987 UPOV Convention.

Under the Act, the breeder of a plant variety may obtain a grant of PVR if the variety is new (it should not have been sold earlier than certain specified times before application is made), distinct, uniform and stable. An application for a PVR must be made to the PVR Office following which an examination is carried out to determine whether the candidate variety meets prescribed criteria. The examination normally involves a growing trial of the variety conducted in New Zealand. Notice of applications, grants and other matters concerning PVR, are published in the quarterly New Zealand Plant Variety Rights Journal.

A grant of a PVR gives the breeder exclusive rights of commercialization of the variety for 20 years, or 23 years in the case of woody plants. Such a breeder is entitled to take court action against anyone infringing the PVR.

4. COPYRIGHT: Copyright is now governed by the Copyright Act 1994. New Zealand adheres to the Rome version (but not the Brussels revision) of the Berne Copyright Convention, and is also a signatory to the Universal Copyright Convention. These two treaties provide that citizens of member countries are afforded protection in respect of work that may be copyrighted.

Copyright may reside in any original literary, dramatic, musical or artistic work, sound recording, film, broadcast, cable program or typographical arrangement of published editions. Literary works include a table or compilation (which includes multimedia products and databases) and computer programs. Artistic works include graphic works, photographs, models, sculptures or collages, architectural works and works of artistic craftsmanship. Layout designs or integrated circuits are specifically excluded from the Copyright Act 1994, which provides a 10 to 15-year term of copyright-style protection.

The Copyright Act 1994 specifies various circumstances in which reproduction of copyright material will not amount to an infringement, for example, if such material is used in fair dealing or for various research and educational purposes. It also stipulates that reproduction of drawings included in patent specification or a registered design in relation to a patent or design that is no longer in effect will not amount to an infringement of copyright. Further, copyright in an artistic work that has been industrially applied is limited to a term of 16 years from the date of industrial application (25 years for works of artistic craftsmanship). The usual term of copyright (other than as indicated above) is the life of the author plus 50 years.

The Copyright Act 1994 also introduced to New Zealand law moral and performers' rights. Moral rights include the right to be identified as the author or director of a work and the right to object to derogatory treatment of a work.

On May 16, 1998 the New Zealand Government passed an amendment to the Copyright Act, 1994 legalizing parallel importing. The legislation removes exclusive importing rights to New Zealand importers. Under the legislation any New Zealand importer may purchase, import, and sell goods from anywhere in the world without the permission of any local franchise holder of the copyright.

New Zealand was placed on the Special 301 Watch List on April 30, 1999 due to concerns regarding the adequacy of copyright protection.

5. COMPUTER TECHNOLOGY: Computer programs, databases and multimedia products are subject to copyright. Both computer hardware and software may now be patented.

NEED FOR A LOCAL ATTORNEY: The legal system in New Zealand has developed from British law. Much of the law is codified, but English common law remains important in many areas. The system of courts extends from the district courts through the High Court and Court of Appeal to the Privy Council in London. The public receives protection under a Bill of Rights and may obtain information on request under the Official Information Act.

It is recommended that local attorneys be used when registering a company, closing a contract, hiring office space, or any other occasion one would normally contact an attorney in the normal course of business. The US&FCS office in New Zealand maintains a list of solicitors and barristers for reference.

CHAPTER V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENTS

BEST PROSPECTS FOR NON-AGRICULTURAL GOODS & SERVICES

(USD millions, unless otherwise noted; Exchange rate USD/NZD in 1995 = 1.56, 1996 = 1.49, 1997 = 1.49, 1998 = 1.44, 1999 = 1.45)

1. - Computers/Peripherals (COM)

New Zealanders are typically early adapters and new technology is quickly accepted and utilized in system solutions. Steady demand in 1997 for PC's was noted in the corporate, small/medium business, Government and education sectors. Strong demand is being experienced from the home consumer segment.

		<u>1997</u>	<u>1998</u>	<u>1999</u>
A.	Total Market Size	750	850	800
B.	Total Local Production	100 100	100	
C.	Total Exports	100	100	100
D.	Total Imports	750	850	800
E.	Total Imports from U.S.	500	550	500

The Above Statistics Are Unofficial Estimates

2. - Medical Equipment (MED)

In October 1994, an ISA was published on the surgical equipment sector. Products from the U.S. contribute to 25% of the import content in this segment. The health care and emergency service sector is undergoing a fundamental change in how it is funded. Hospitals and emergency service providers are encountering private sector competition. This is resulting in the upgrading of facilities to attract both doctors and patients. This upgrading offers many opportunities for American manufacturers and service providers.

		<u>1997</u>	<u>1998</u>	<u>1999</u>
A.	Total Market Size (est.)	160	170	173
B.	Total Local Production (est.)	5	5	5
C.	Total Exports	2	2	2
D.	Total Imports	157	167	170
E.	Total Imports from U.S.	90	100	105

The Above Statistics Are Unofficial Estimates

3. - Telecommunications (TEL)

The last ISA on a Telecommunications subsector was published in November 1996. Highlighted growth areas include the provision of services such as cellular phones, pagers, mobile radio, and equipment such as PABX and data transmission equipment and phones.

		<u>1997</u>	<u>1998</u>	<u>1999</u>
A.	Total Market Size	130	140	246
B.	Total Local Production	N/AN/A	150	
C.	Total Exports	56	56	100

D.	Total Imports	186	196	196
E.	Total Imports from U.S.	70	70	80

The Above Statistics Are Unofficial Estimates

4. - Automotive Parts and Service Equipment (APS)

A reducing tariff program set to reduce tariffs by 2.5% per annum until July 1, 2000, when it will be fixed at 15% until July 1, 2001, seriously impacted the local vehicle assembly industry by promulgating the closure of the Toyota and last fabrication plant in New Zealand in late 1998. The local industry had found it very difficult to compete against new and used imports. There are now five U.S.-origin vehicle models in the marketplace, the most recent addition being the Chrysler Jeep. An ISA on automotive parts and accessories published in July 1994 recorded that U.S. market share was only 5.6% of which 85% was parts and the 15% accessories. Truck (long haul) parts represented 70% of the total U.S. parts export volume.

		<u>1997</u>	<u>1998</u>	<u>1999</u>
A.	Total Market Size	580	583	615
B.	Total Local Production	100 100	90	
C.	Total Exports	77	77	75
D.	Total Imports	557	560	600
E.	Total Imports from U.S.	32	34	40

The Above Statistics Are Unofficial Estimates

BEST PROSPECTS FOR AGRICULTURAL PRODUCTS:

N/A - Fresh Fruit (Metric tons)

Oranges, grapes, peaches, plums, grapefruit and kiwifruit are among an array of fresh fruits imported from the United States. Counter-seasonal to many of New Zealand's fruits, consumers welcome the extra variety these fruits offer over the winter months. In 1998, fresh fruit exports from the United States to New Zealand were valued at U.S.\$10.2 million.

		<u>1997</u>	<u>1998</u>	<u>1999</u>
Total Market Size		59,000	60,000	63,000
Total Local Production	525,000	533,000	535,500	
Total Exports		490,000	500,000	500,000
Total Imports		24,000	27,000	27,500
Total Imports from U.S.	12,000	13,000	14,000	

N/A - Snack Foods (Excl Nuts, US\$ millions)

In 1998, United States snack food exports to New Zealand reached a record level of U.S.\$5.1 million, reflecting a consistent increase in exports since 1995 when U.S. exports were valued at U.S.\$3.1 million. Wrapped health and lunch box snacks are the fastest growing supermarket sales category and accounted for more than U.S.\$27 million in 1998.

		<u>1997</u>	<u>1998</u>	<u>1999</u>
Total Market Size		128.0	130.0	132.0

Total Local Production	117.0	117.5	118.0
Total Exports	2.0	2.5	3.0
Total Imports	9.0	10.0	10.5
Total Imports from U.S.	4.9	5.1	5.5

N/A - Soybean Meal (Metric tons)

The domestic pork and poultry industries import their soybean meal requirements, with the volume depending on the relative price of other protein substitutes. As poultry consumption continues to increase, the industry will continue to require feed inputs. **Other livestock industries, such as beef and dairy, are also increasing their use of supplementary feeds. The United States dominates soybean meal imports and in 1997 the value of U.S. soybean meal imports reached a record high of U.S.\$15.3 million.**

	<u>1997</u>	<u>1998</u>	<u>1999</u>
1. Total Market Size	59,000	60,000	62,000
2. Total Local Production	0	0	0
3. Total Exports	0	0	0
4. Total Imports	59,000	60,000	62,000
5. Total Imports from U.S.	51,000	52,000	54,000

The Above Statistics Are Unofficial Statistics.

SIGNIFICANT INVESTMENT OPPORTUNITIES

As part of its effort to increase competition in the electric utility sector, the government required companies to split their generation and lines businesses, which is already providing some opportunities for U.S. investors. In addition, the government plans to sell its shares in Solid Energy (a coal company) and the Electricity Corporation of New Zealand (ECNZ).

The government plans to float the principal properties of Government Property Services and may privatize Vehicle Testing (which certifies garages for emissions testing), Landcorp, and Television New Zealand (TVNZ).

Regional government and consumer trusts are owners of significant operating assets. These entities have been notified by the GNZ that they are to sell or transfer these assets to a commercial operation. Those assets include water and sewage systems, airports, forests, marine ports, bus systems and roading. US firms interested in these assets should remain close to the market and maintain good communications with the existing operations.

CHAPTER VI. TRADE REGULATIONS AND STANDARDS

TRADE BARRIERS, INCLUDING TARIFFS, NON-TARIFF BARRIERS AND IMPORT TAXES: Goods manufactured outside New Zealand (and Australia under CER), especially materials and machinery required by local manufacturers and farmers, are generally free of duty. The New Zealand Ministry of Commerce grants concessions for goods not available from New Zealand manufacturers.

New Zealand is a contracting party to the General Agreement on Tariffs and Trade (GATT) and has been granted preference on imports in a number of negotiations under GATT. Between 1988 and 1992, a five-stage tariff reduction program cut most industrial and agricultural tariffs by half, with larger cuts in high tariff areas. A further program for 1993 to 1996 has cut 1992 tariff levels by approximately one-third, reducing most tariffs to the 0-14 percent range. In May 1998, the GNZ eliminated tariffs on most passenger vehicles. Tires, and textiles-clothing-carpet and footwear retain relatively high tariff protection but are due to decline to 15% by 2000.

Alcoholic beverages (including beer, wine and spirits), tobacco products and some petroleum products are subject to excise duty. Excise duty is paid on similar items that are domestically produced.

All goods imported into New Zealand are liable for Goods and Service Tax (GST). This tax, currently set at 12.5%, is payable on the sum of the Customs Value of the goods, and any Customs duty payable thereon, and freight and insurance costs incurred in transporting the goods to New Zealand.

CUSTOMS VALUATION: Duties on goods imported into New Zealand are usually calculated as a percentage of the cost of the goods f.o.b. (free on board). In some cases, they are calculated on the basis of a charge on a specific unit of weight, volume, or other measurement ("specific" rate) and occasionally on the basis of a combination of ad valorem and specific rates. Ad valorem duty is assessed on the f.o.b. value of the goods.

The rate of duty payable is determined by the classification of the goods in the New Zealand Tariff, which is based on the Harmonized Commodity Description and Coding system.

The Customs Department in Wellington will give an advance ruling on goods that are intended to be shipped, provided a sufficient description of the goods is furnished (and, if requested, samples submitted), in order for them to determine the correct customs classification. Such decisions are regarded as binding, but the customs authorities assume no responsibility for changes that may subsequently be made in the tariff rates.

The shipper in the United States may sign application for an advance ruling, by the importer in New Zealand or by any other interested person. Inquiries should be addressed to the New Zealand Customs Department, Wellington, and New Zealand.

IMPORT LICENSES: All import licensing was abolished on July 1, 1992.

EXPORT CONTROLS: An extensive system of licensing of exports and export incentives and tax breaks for exporters were abolished in the mid-1980's. By statute, commodity-marketing boards have monopoly marketing rights on exports of dairy products, apples, pears, and kiwifruit. Other boards maintain licensing systems, but these tend to be unrestrictive.

New Zealand participates in a variety of multilateral arrangements and agreements which control the export of strategic items, including missiles and missile components, nuclear and nuclear related

materials, chemicals and chemical equipment, biological agents and equipment, defense equipment and defense-related goods, as well as some industrial "dual use" items that could be used for military or civilian purposes. For these items, permission to export must be obtained from New Zealand Customs, which acts on the advice of the Ministry of Foreign Affairs and Trade.

IMPORT/EXPORT DOCUMENTATION REQUIREMENTS: The New Zealand Customs Department requires that each original bill of lading or airway bill for imported goods be accompanied by an invoice. Printed forms of the invoice may be purchased at commercial stationery stores located in major port cities. No consular visa or notary service is required for the invoice.

The GNZ has established a requirement that exporters' declarations must include a statement to the effect that any wooden or plywood packing case, crates, wooden containers, or cargo pallets destined for New Zealand have been inspected before shipment and found to be free from bark and visible signs of insect and fungal infestation. This declaration must accompany all bills of lading and other shipping documents.

Items such as fruits, plants, seeds, and the like must be accompanied by certificates from the competent authorities in the country of origin to the effect that the items have been examined and have been found to be free of disease. In the United States, the U.S. Department of Agriculture issues such certificates. These certificates should be forwarded to the consignee in New Zealand, and should also accompany the consignment. The Ministry of Agriculture may inspect the shipment on arrival, and if signs of insect infestation are present, order the consignment to be either fumigated or denied entry.

With the advent of the Hazardous Substances and New Organisms (HSNO) Act in New Zealand, review for all new (including genetically modified) organisms is now compulsory and first application under a complete process of public notification and hearing have occurred. However, full release of a GMO has yet to take place in New Zealand. Information on the application process is available from:

Environmental Risk Management Authority (ERMA)
P.O. Box 131 Wellington, New Zealand.
TEL: 64-4-473-8426
FAX: 64-4-473-8433
EMAIL: ENQUIRES@ERMANZ.GOV.T.NZ
WEBSITE: WWW.ERMANZ.GOV.T.NZ

TEMPORARY ENTRY: New Zealand admits samples of negligible value duty free. Small shipments of trade catalogs and price lists printed outside New Zealand and advertising products produced abroad are admitted duty free if they bear the name and address of the foreign manufacturer and are not designed to advertise the sale of those products by any company, firm or individual with a business established in New Zealand. Temporary, duty-free admission of advertising films is also permitted, provided the films relate to the product or equipment offered for sale and meets other specified conditions.

Samples of commercial value may be imported temporarily under bond or deposit of the duty amount to which they are liable. Such samples are subject to the same customs regulations and duties in New Zealand as are ordinary commercial shipments of the commodities represented. Trade catalogs, price lists, posters, circulars, handbills, programs, calendars, play bills, and fashion plates other than those listed above are dutiable. There is no provision for the prepayment of such duties in the United States.

LABELING, MARKING REQUIREMENTS: New Zealand prohibits the importation of all goods bearing false or deceiving trademarks. It also prohibits the entry of any good of foreign manufacture that bears the name or trademark of a New Zealand manufacturer or trader, the name of a place in New Zealand, or words that would be likely to associate the goods with New Zealand, unless the names or words are accompanied by a definite indication of the country of origin.

There is no general requirement that the country of origin be indicated on all imported goods. The country of origin must, however, be shown on footwear, clothing items, and dry-cell batteries. If any goods are marked with the country of origin, such markings must be true, accurate, and not misleading.

The Fair Trading Act 1986 is designed to ensure that goods are correctly marked or advertised as to their nature, quality, or the place where they are manufactured or produced. Very detailed regulations are in effect regarding the labels that must be attached to various prepared, blended, compounded, mixed or imitation foodstuffs. In general though, the food labeling requirements in the U.S. market exceed those of the New Zealand market. Paints and colors containing lead, electrical appliances and equipment, footwear, drugs, toilet preparations, and food products must also be specially labeled. Wool products, defined as any product containing 50 percent or more by weight of wool, must be marked to show, in English, a trade description of the main fabric in the product and the percentage by the weight of the wool in the product. Regulations also provide that all packaged goods bear an indication of the net weight of the contents and specify how such weights are to be indicated for each commodity. Note that all weights and measures should be quoted in metrics.

Movie film must be marked on the outer package as "FILMS" in black letters not less than 2 inches high and with the name of the owner, distinguishing mark, or number. There are detailed regulations covering the marking of dangerous goods.

With the exception of movie film and dangerous goods, there are no regulations governing the marking of outside packing cases. The consignee's mark, including a postmark, should be present, and packages should be numbered unless the shipment is such that the contents of the package can readily be identified without numbers. It is also advantageous to show net and gross weight on the outside packing cases.

PROHIBITED IMPORTS: Although a pervasive system of import licensing controls was abolished in the mid-1980's, New Zealand maintains controls on the importation of a variety of items, including firearms and other weapons, explosives, controlled drugs, hazardous wastes, radioactive substances, pesticides, plants, animals, and animal and plant products. Publications, films, audio recordings, and computer disks are restricted for objectionable material. Some agricultural goods are restricted on phytosanitary grounds, with the main commodities affected being poultry and egg products. Only cooked products in these categories are allowed entry. New Zealand also enforces United Nations sanctions against Iraq and some areas of former Yugoslavia. Detailed information is available from New Zealand Customs.

STANDARDS (e.g., ISO 9000 USAGE): New Zealand Standards cover a wide variety of subjects, including design, safety, specifications of performance and quality of products. Adoption of these Standards is generally voluntary, but can be made compulsory through a statutory reference. Compliance with these Standards may be an important factor in sales promotion, for example, in the area of production certification ('S' Mark).

The accreditation authority for ISO 9000 certifying bodies in New Zealand is JAS-ANZ, the Joint Accreditation System - Australia and New Zealand, established in 1991 by a treaty between the two Governments.

New Zealand operates under the metric system of weights and measures.

FREE TRADE ZONES/WAREHOUSES: There is neither a free trade zone nor a free port in New Zealand.

Goods may be entered for home consumption, for warehousing, for removal within New Zealand or for export. The appropriate customs entry forms are completed by the importer or his agent from information contained in the invoice, and they are submitted to customs along with all shipping documents except the bill of lading. New Zealand Customs allows importers a deferred payment plan whereby they can pay within 6-8 weeks of picking up the goods. There are adequate provisions permitting an importer to enter goods on a sight entry, to be completed later, when full particulars for making a complete entry are known and can be supplied by the importer. In such cases, a deposit adequate to cover the duty must be made.

There are wharves approved by the New Zealand Customs for the discharge of overseas cargoes, and licensed examining places.

Licensed examining places are approved by New Zealand Customs for the devanning of LCL (Less-than-container-loads) containerized cargo. Those typically are containers holding goods for more than one importer.

Once containers have been devanned, individual importers can then uplift their goods upon presentation of a Customs delivery order.

Entry of all goods unshipped or to be unshipped at any port is to be made within 21 working days. If the goods are not claimed and entries passed within two months after the 21 days have elapsed, duty becomes due and payable. The goods at that time may be sold or otherwise disposed of by the port's Collector of Customs.

Manufacturing Area licenses are issued for the manufacture of any goods specified in the Third Schedule to the Customs Act (e.g., beer, wine, spirits, cigarettes, cigars, and motor spirits). Items entered into these areas are not subject to tariffs. Goods entered for home consumption from a licensed Manufacturing area are subject to duty at the rates prescribed in the Third Schedule of Customs Act "Excise Duties."

Imported goods, including those removed from a warehouse, may be transshipped or reexported upon completion of the appropriate entry and under the security of a bond. Customarily, custom agents under the security of their general bond pass such entries.

SPECIAL IMPORT PROVISIONS: New Zealand acted upon the recommendations of the United Nations Conference on Trade and Development (UNCTAD) prescribing that developed countries introduce "Generalized Systems of Preference" (GSP) in favor of developing nations. Special developing country rates for more than 100 countries were incorporated in the customs tariff from 1972. In 1984, least developed countries were granted further preferences. Products from certain South Pacific countries enter duty free. Canadian imports have a separate tariff rate that is somewhat reduced from the standard rate.

MEMBERSHIP IN FREE TRADE ARRANGEMENTS: New Zealand has joined with Australia in the Closer Economic Relationship (CER), a free trade area, eliminating all tariffs between the two countries. This is of great importance to New Zealand as Australia is its largest export market, and largest source of imports. U.S. exporters and investors should be aware, however, that rules of origin

under the CER do not permit products to enter Australia duty free from New Zealand unless the product is of at least 50 percent New Zealand origins, and the last manufacturing process was carried out in New Zealand. Therefore, an U.S. product imported into New Zealand, if reexported to Australia, would face the normal tariff duty for an U.S. export to Australia.

CHAPTER VII. INVESTMENT CLIMATE

OPENNESS TO FOREIGN INVESTMENT: While there has been an active public debate over the issue, foreign direct investment is welcomed and encouraged without discrimination. Approval by the Overseas Investment Commission (OIC) is required for all foreign direct investment (both acquisitions and greenfield investments), where an "overseas person" is to acquire or take control of "significant" assets in New Zealand. "Control" is defined as 25 percent ownership or a controlling interest in an asset. Significant assets include: businesses or property worth more than NZD 10 million (approximately USD 5.3 million); land more than five hectares, or worth more than NZD 10 million; and certain "sensitive" lands more than 0.2 hectares (e.g., on islands, on or next to reserves, historic/heritage areas, foreshores, and lakes). No performance requirements are attached to foreign direct investment. Full remittance of profits and capital is permitted through normal banking channels.

The Overseas Investment Amendment Act of 1995 replaced an outmoded, duplicative approval system for foreign land purchases and places responsibility for such approvals solely with the OIC. The act gave the OIC the authority for the first time to monitor foreign investments after approval, and thus enable the OIC to check when and if investment proposals proceed; and, to ensure also that investors comply with approval conditions. It also increased the penalty for noncompliance. If foreign investors are found to have included deceptive statements on approval applications, the High Court can order the disposal of their New Zealand holdings.

In practice, the OIC approval requirements have not been an obstacle for U.S. foreign direct investors. Six applications were turned down in 1998, all related to land sales. Three of the applications were for land intended for farming purposes, and one each for land for lifestyle, residential subdivision and accommodation. The greatest number of applications and highest value for approvals came from the United States (NZD 4.4 billion, 35 percent of total value)

Very few Government-owned enterprises remain to be privatized. The Government has not discriminated against foreign interests, to the extent that American-owned companies, with large minority ownership shares now manage the former Government monopoly of railroad and telephone systems. NZ Post's letter-delivery monopoly ended to some extent in 1998 with several smaller companies entering the market, and the Government has increased competition in the electricity market by breaking-up the state-owned Electricity Corporation of New Zealand (ECNZ) into three separate entities.

The Government does not offer significant incentives to foreign investors, such as for example, the inward investment regime of Ireland, a European nation with the same population as New Zealand and having a complex of over 500 U.S. firms. Whereas Ireland's inward investor subsidiaries can readily export to a 350 million nearby European and continental European marketplace, New Zealand's export outlets for inward investment would be circumscribed to the proximate Australian market of 20 + million. Whether New Zealand can induce U.S. and other foreign manufacturers and service firms to take up residency for expanding exports, for example, to other English speaking marketplaces in the East Asian and Pacific Region, is an option worth examining. Currently, a stable, low-inflation environment is viewed as the strongest incentive for investment that the Government can provide. There is no capital gains tax. New Zealand has double taxation agreements with 24 countries, including the United States.

As part of the Government's deregulation strategy, Parliament passed an international tax reform bill on December 12, 1995. Taking effect on April 1, 1996, the reforms granted foreign firms and investors national treatment on corporate taxes; transfer pricing rules were aligned with OECD practices; and thin capitalization regulations were tightened to discourage foreign companies from

using excessive debt to avoid New Zealand taxes. The new rules offer foreign investors greater transparency and predictability.

Under the reforms, the tax rate for New Zealand branches of foreign firms was reduced from 38 percent to the 33 percent now charged domestic firms. The maximum tax rate for most foreign investors (from the combined effects of New Zealand's nonresident withholding tax and company tax) was also reduced to the standard corporate tax rate of 33 percent.

CONVERSION AND TRANSFER POLICIES: There are no restrictions on the inflow or outflow of capital, and the currency is freely convertible. All capital transactions can be facilitated through normal commercial banking channels.

EXPROPRIATION AND COMPENSATION: Expropriation has not been an issue in New Zealand, and there are no outstanding cases.

DISPUTE SETTLEMENT: Investment disputes are extremely rare, and there have been no major disputes in recent years. The mechanism for handling disputes is the judicial system. New Zealand is a party to the Washington Convention on the Settlement of Investment Disputes. It is not a member of the International Center for the Settlement of Investment Disputes (ICSID) or the New York Convention of 1958, and has no plans to become a member. Property and contractual rights are enforced by a British-style legal system. The highest appeals court is the Privy Council in London.

PERFORMANCE REQUIREMENTS/INCENTIVES: There is no performance requirements or incentives associated with foreign investment.

RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT: In addition to the requirement for OIC approval of foreign investments over NZD 10 million, for investments in Air New Zealand, or for investments in commercial fishing and rural land, there are no restrictions on the right to establish, own and operate business enterprises. Since 1984, the Government has moved aggressively to reduce its involvement in economic activities.

A number of Government entities have been transformed into state-owned enterprises (SOEs), and a number of SOEs have been privatized. In addition to the Government equity holdings established at the time of formation, SOEs are provided no advantages in their competition with private entities. In general, there has been no restriction on foreign purchasers in the privatization of assets. There is no limit to foreigners buying into any sector or acquiring 100 percent ownership of any firm. The exceptions are a maximum 49 percent ownership of Air New Zealand, the national flagship carrier, ordained to preserve landing rights; the 1983 Fisheries Act which allows foreigners only to lease New Zealand fishing rights; and a general edict that stipulates that whereas crown forestry assets and cutting rights can be acquired by foreigners, the land on which the assets are situated should remain in Government hands. The terms of the sale of Telecom New Zealand (the former Government monopoly phone system) required its U.S. buyers to sell they're holding down to 49.9 percent within three years of the purchase - and then to maintain their share to a maximum 49.9 % thereafter. Each individual foreign investor is limited to a 20% share in Telecom New Zealand.

PROTECTION OF PROPERTY RIGHTS: New Zealand is a member of the World Intellectual Property Organization, the Paris Convention for the Protection of Industrial Property, the Berne Convention and the Universal Copyright Convention. It fulfilled its TRIPS Agreement obligations in most respects with the passage of the Copyright Act of 1994; Layout Designs Act of 1994; and 1994 amendments to the Patents Act of 1953, the Trade Marks Amendment Act of 1953, and the Plant Variety Rights Act of 1987. Amendments made to existing intellectual property statutes came into force on January 1, 1995.

In two areas, New Zealand's legislation goes beyond its TRIPS obligations. New Zealand's 1994 copyright legislation allows its regime to keep pace with technological changes and ensures compliance with the 1971 revision of the Berne Convention. Brought into force in 1996, the Geographical Indications Act of 1994 establishes a regime for protecting New Zealand and International Geographical Indications (e.g., for wine) from misleading or deceptive use.

In May 1998, the Copyright Act and the Medicines Act were amended to remove the prohibition on parallel importing. This amendment allowed importation of legitimate goods into New Zealand without the permission of the holder of the intellectual property rights. Enacted by the Government to expand discounted prices for consumers, it has also resulted in an increase in pirated goods entering New Zealand. Manufacturers have expressed concern that parallel imports will result in damage to their reputation due to imports of dated products, products not suitable for New Zealand conditions, and after market servicing problems. In addition, parallel importing limits returns to the holders of intellectual property by not allowing control over market targeting (e.g. timing of releases). Because of concerns regarding intellectual property protection, the U.S. Trade Representative placed New Zealand on the Special 301 Watch List.

See CHAPTER IV, PROTECTING YOUR PRODUCT FROM IPR INFRINGEMENT.

TRANSPARENCY OF THE REGULATORY SYSTEM: The Commerce Commission administers the Commerce Act 1986, which governs restrictive trade practices. Generally, contracts, arrangements or understandings, which have the purpose or are likely to have the effect of substantially lessening competition in a market, as well as price fixing, are prohibited and unenforceable, unless authorized by the Commerce Commission. Before granting its authority, the Commission must be satisfied that the public benefit would outweigh the reduction of competition.

The Commerce Commission may also block a merger or takeover, which would result in the new company gaining a dominant position in the market. The use of a dominant market position to restrict, prevent, hinder, deter or eliminate various specified types of competition is contrary to the provisions of the Act; however, the enforcement or attempted enforcement of any right under, or existing by virtue of any copyright, patent, protected plant variety, registered design or trademark, do not necessarily constitute abuses of a dominant position.

The use of resale price maintenance by suppliers is prohibited completely. Advice should be obtained on the application of the Act, prior to the establishment of exclusive distribution, selling and franchising arrangements in New Zealand.

Reforms adopted since 1984 have included deregulation as a primary objective. The most salient examples are the financial and telecommunications sectors; however, the effort has been broad-based. There is increasing discussion of the need for some government oversight (not re-regulation) to ensure competition in "natural monopolies" like telecommunications and electricity. Under the 1997 WTO Basic Telecom Services Agreement, New Zealand has been committed to the maintenance of an open competitive environment in the telecom sector. Although there are no barriers to entering the telecommunications sector, an August 1998 Commerce Commission decision, allowing the dominant company, Telecom New Zealand, to lower its rates to target markets in which competition exists, presents a practical barrier to a competitor seeking to design the needed infrastructure investment to compete with Telecom.

EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENT: Since the removal of controls on the financial sector in the mid-1980s, money market activity has grown rapidly, particularly with regard to: foreign exchange trading; the development of a sizeable secondary market in Government securities; the introduction of a range of new financial instruments, including forward contracts,

options, and exchange rate futures; and, the growing use of hedging devices to handle interest rate and exchange rate risks. There were 18 registered banks as of 20 August 1998; and, around 99 percent of the assets of the New Zealand banking system were under the ownership of a foreign bank parent (70 percent Australian). Aggregate banking system capital adequacy has been above minimum requirements since the introduction of Basle-based reporting in 1989. Access to the credit system is unrestricted.

The Securities Commission, under the Securities Act of 1978 and amendments, regulates the issuance of securities. The Act requires prospectuses for public offerings of new securities and prescribes the information which must be disclosed. An amendment in 1988 provided civil remedies for loss or damages resulting from insider trading. A number of New Zealand-listed firms are also traded in Australia and in the United States.

Legal, regulatory, and accounting systems are transparent. Accounting is based on British and U.S. systems. The New Zealand Society of Accountants has developed Statements of Standard Accounting Practice (SSAP) that are mandatory for its members. All companies listed on the Stock Exchange must comply with the SSAP and issue annual reports and abbreviated half-yearly reports to shareholders. In 1994, the Financial Reporting Act of 1993 came into effect; legally requiring firms to comply with financial accounting standards prescribed by an Accounting Standards Review Board established by the Act. The mandatory standards vary depending on the type of firm involved.

Small companies not listed on the New Zealand Stock Exchange (NZSE) may include in their constitution measures to restrict hostile takeovers by outside interests, domestic or foreign; however, the NZSE does not permit such measures by companies listed in the NZSE.

Foreign-owned or controlled companies are not foreclosed from participation in industry standards-setting organizations.

The primary feature of investment in New Zealand is that foreign investment is welcomed, encouraged, and prominent in the economy.

POLITICAL VIOLENCE: New Zealand is a stable western democracy. There has been no significant political violence since the Maori wars in the mid-1800's.

CORRUPTION: New Zealand is renowned for its efforts to ensure a transparent, competitive, and corruption-free Government procurement system. While Government policy is to give local producers a fair chance, chief executives are responsible for limiting costs and will source purchases wherever they can get the best value for the money. Stiff laws against bribery of Government officials as well as those accepting bribes are strictly enforced. New Zealand has not joined the GATT/WTO Government Procurement Code because the Government believes the benefits would not justify the compliance cost of trying to police New Zealand's totally deregulated government procurement system. Nonetheless, New Zealand supports multilateral efforts to increase transparency of government procurement regimes.

BILATERAL INVESTMENT AGREEMENTS: New Zealand has an agreement on the promotion and protection of investment with China, and in 1992 signed a Trade and Investment Framework Agreement with the United States. In addition, New Zealand signed an Open Skies Agreement with the U.S. in June of 1997 and is interested in a Free Trade Agreement with the U.S. New Zealand has framework agreements to facilitate trade and investment with Chile, a trade facilitation arrangement with ASEAN, and a "friendship" agreement with the EU. New Zealand and Australia are also strengthening their Closer Economic Relations (CER) arrangement and have signed a Mutual Recognition Agreement so that any goods legally sold in one country can be sold in the other's

market. The two trans-Tasman partners have also created a Single Aviation Market, and Air New Zealand now owns fifty percent of Ansett Australia. New Zealand adheres to the Organization for Economic Cooperation and Development (OECD) Code of Liberalization of Capital Movements and the OECD Code on Current Invisible Operations.

OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS: As an OECD member country and developed nation-state, New Zealand is not eligible for OPIC programs. New Zealand does not intend to become a member of the Multilateral Investment Guarantee Agency. The New Zealand Government does not provide a comparable program like OPIC to its investors nor does it provide export credits to its exporters.

LABOR: Unemployment (down to 5.6% of the labor force in late-1996) escalated to 7.2 % in the first quarter of 1999.

While unions have the right to organize and bargain collectively, the Employment Contracts Act of 1991 ended compulsory unionism. The Act also prohibits strikes induced to force companies to sign multi-company contracts, as well as sympathy strikes by workers not involved in a particular labor dispute. Minimum wages and work-place safety are incorporated under other laws. An Employment Tribunal handles disputes, and its decisions may be appealed in an Employment Court. Overall, the labor movement has lost members under the new law, but some unions have grown, particularly through mergers. Workdays lost to strikes more than halved in 1998 from 1997. In some firms, the Act has engendered more cooperative and innovative labor-management relations, and enhanced labor productivity. Labor law protects the workers from exploitation.

FOREIGN TRADE ZONES/FREE PORTS: New Zealand does not have any foreign trade zones or free ports.

FOREIGN DIRECT INVESTMENT STATISTICS: The level of foreign investment (FDI, portfolio and other investment) in New Zealand continues to rise, by NZD 7.5 billion for the year to December 31, 1998 to a total of NZD 114.2 billion (USD 60.5 billion). The highest value for approvals in 1998 was the United States (NZ\$4.4 billion; 35% of the total)

With the privatization of many state-owned enterprises and monopolies, the flow of U.S. investment into New Zealand has been significant. For the five-year period from 1993-1997, U.S. investment amounted to NZ\$7.98 billion or 25.3% of total foreign investment during this period. The sectors receiving the most investment from the U.S. have been forestry, telecommunications, transportation, and food processing and electronic data processing. Other sectors having significant U.S. investments would include petroleum refining and distribution, financial services, and data processing equipment sales and service.

CHAPTER VIII. TRADE AND PROJECT FINANCING

DESCRIPTION OF BANKING SYSTEM: The banking system of New Zealand is managed by the Reserve Bank of New Zealand. Its main responsibilities include the following objectives:

- To formulate and implement monetary policy to achieve and maintain stability in the general levels of prices (i.e. inflation between 0% & 3.9%);
- To promote the maintenance of a sound and efficient financial system, including monitoring the prudential soundness of registered banks;
- To manage note and coin issue; and
- To act as the central bank of New Zealand.

Deposits in New Zealand are not insured. Registered banks are required to meet minimum standards, which have been established to reduce bank failures. In June 1996, 2.2% of the M3 Financial Institutions assets were comprised of GNZ securities and 86% were comprised of loans to New Zealanders (residential and business).

At the end of April 1998 there were 19 registered banks, four of which were the former trading banks. In addition, finance companies, insurance companies, and building societies are engaged in the capital formation and investment business. These institutions are regulated by the Securities Commission (Securities Act 1978). There has been ongoing discussion within the local banking community to achieve a level playing field in the context of regulation, brought about by the advent of insurance companies ownership and operation of banks. As of September 1995, about 90 percent of the banking assets in New Zealand were under control of foreign bank parents and 60% were under ownership of an Australian bank parent. The only domestically owned bank is TSB Bank Limited of New Plymouth.

Banks in New Zealand undertake the customary business of receiving deposits, processing checks, granting advances (overdrafts), and buying and selling foreign exchange. These banks, which operate primarily in the short and medium term credit sectors, maintain the usual liaison with banks in the major financial countries of the world.

The Government of New Zealand's liberalization of the banking system has ended almost all restrictions on the number, activities and ownership of banks operating in New Zealand. There are no limits on the number of licenses granted, and foreign-owned institutions have full equality with nationally based firms. Banks operate on an "at your own risk" policy for both management and depositors. Customers' deposits are not covered by any systemic insurance.

The Reserve Bank grants a banking license to any institution that meets certain requirements. New banks have to apply for a separate license for foreign exchange trading, but this usually poses no difficulty. New banks can issue checks. The nine clearing banks operate and own the country's sole check clearing system, Interchange & Settlement Ltd. (ISL). The automated clearing function is run by EDS (N.Z.) Ltd. under contract to ISL. The Government of New Zealand assures those setting up new banks that it does not tolerate attempts to exclude them.

The two American-based financial institutions, Citibank and Bankers Trust are primarily involved with corporate finance, money market trading, and investment banking. Of the two, only Citibank offers retail mortgage services. A wholly owned affiliate of State Street Bank is the primary custodial bank in market.

FOREIGN EXCHANGE CONTROLS AFFECTING TRADING: There are no major controls on foreign exchange trading except for the separate license requirement stated earlier.

GENERAL AVAILABILITY OF FINANCING: Debt and venture capital financing are readily available at New Zealand market rates. Low residential savings rates require banks to obtain higher cost offshore funds to meet loan demand. Local interest rates for corporate financing range from 6 – 7% as of early 1999.

HOW TO FINANCE EXPORTS / METHODS OF PAYMENT: The main sources of capital for financing imports or new development in New Zealand are undistributed profits, the share market, merchant banks, insurance companies, savings banks, finance companies (including hire-purchase companies), private sources, the investment by overseas companies in New Zealand branches and subsidiaries, joint venture companies and foreign capital inflows. The New Zealand Government does not have a venture capital program nor does it support third party organizations as a financier of last resort. Although there is a broad array of suppliers of capital, there still is a scarcity of resources for start-up organizations and other high risk ventures.

Standard financial products are available in New Zealand to support import and export opportunities. Secured bank credit and trade finance vehicles (i.e., irrevocable letters of credit) are readily offered by local financial institutions. Open account purchase agreements are quite common among long time trading partners. Some New Zealand exporters have taken products in trade when partnering with cash poor countries such as the former Soviet bloc countries.

TYPES OF AVAILABLE EXPORT FINANCING AND INSURANCE: The U.S. Export Import Bank standard policies apply to United States firms selling to New Zealand entities.

AVAILABILITY OF PROJECT FINANCE: Project financing in New Zealand has historically been offered by vendors as a part of the total project package, or by merchant bankers as a member of a consortium project. Multilateral institutions and development banks do not lend into New Zealand since it is not considered a developing country by any standard.

TYPES OF PROJECTS RECEIVING FINANCING SUPPORT: Only commercial viable projects receive support from the private sector sources of capital.

LIST OF BANKS WITH CORRESPONDENT U.S. BANKING ARRANGEMENTS:

Multi-Purpose Banks

- ANZ Banking Group (N.Z.) Ltd.
- Bank of New Zealand
- National Bank of N.Z. Ltd.
- Westpac Banking Corp. Ltd.

Wholesale Banks

- ABN AMRO Bank
- Bankers Trust (N.Z.) Ltd.
- Bank of Tokyo-Mitsubishi (Aus) Ltd.
- Credit Agricole Indosuez
- Banque Nationale de Paris
- BNZ Finance Ltd.
- Citibank N.A.
- Deutsche Bank AG
- Kookmin Bank
- Primary Industry Bank of Australia Ltd.
- Rabobank Nederland

The Hong Kong & Shanghai Banking Corp.
Mainly Retail
ASB Bank Limited
Countrywide Banking Corporation Ltd.
TSB Bank Ltd.

CHAPTER IX. BUSINESS TRAVEL

BUSINESS CUSTOMS: Business customs practiced in the United States share many commonalities with the New Zealand commercial community. It is regarded as common and courteous practice to make and keep appointments in a timely manner. Corporate officials ranging to the most senior level are usually reachable and available for relevant business consultations.

TRAVEL ADVISORY SERVICES AND VISAS: Normal commercial travel agency assistance is appropriate for travel and hotel arrangements while traveling in New Zealand. The United States and New Zealand enjoy a visa waiver pilot program allowing travel, without a visa, for stays up to 90 days. For this program, possession of a return or onward ticket is required. All visitors may apply for an extension of stay for up to 12 months. A valid passport with an expiration date at least three months beyond the date of departure is also required. The program allows for one to work but not receive employment payments during the stay.

The Business Immigration Policy (BIP) focuses on selection of appropriate people rather than evaluation of business proposals. Applicants must demonstrate that they have the background, ability, skills, and investment capital for their proposed business venture. For longer stays, the New Zealand Embassy or Consulate should be contacted for information pertaining to workers' and permanent residency permits.

HOLIDAYS:

<u>1999</u>	<u>2000</u>	
JAN 1, 1999	JAN 3, 2000	New Year's Day Observed
JAN 4, 1999	JAN 4, 2000	New Year Holiday Observed
JAN 25, 1999	JAN 24, 2000	Wellington Anniversary Day (Wellington only)
FEB 1, 1999	JAN 31, 2000	Auckland Anniversary Day (Auckland only)
FEB 6, 1999	FEB 6, 2000	Waitangi Day
APR 2, 1999	APR 21, 2000	Good Friday
APR 5, 1999	APR 24, 2000	Easter Monday
APR 25, 1999	APR 25, 2000	ANZAC Day
JUN 7, 1999	JUN 5, 2000	Queen's Birthday
OCT 25, 1999	OCT 23, 2000	Labour Day
NOV 12, 1999	NOV 12, 2000	Canterbury Anniversary (Christchurch only)
DEC 25, 1999	DEC 25, 2000	Christmas Day Observed
DEC 26, 1999	DEC 26, 2000	Boxing Day Observed

BUSINESS INFRASTRUCTURE (Transportation, Language, Communications, Housing, Health, Food):

Traveling in New Zealand is as facile as traveling in the U.S. Car transportation (rental, taxi, and purchase) is problem free, excluding the requirement of driving on the left hand side of the road. Airplane service is available between Wellington and Auckland on an hourly basis with less frequent services to smaller towns.

Hotel and restaurants are abundant and for the most part reasonably priced. Food and water are handled in a sanitary manner. Wide choices of restaurants from fast food to upscale gourmet styles, and from American to Asian, European and other cuisine's are readily available in the urban centers, with many restaurants also offering highly creative presentations. Hotel accommodation can be spartan in rural regions, but upscale and mid-range accommodations are readily available in

the metropolitan areas. New Zealand is known for its designation sports lodges and has a very wide network of Bed & Breakfast and Farmstay inns.

The New Zealand health system consists of public, private and voluntary sectors that interact to provide and fund health care. The public sector provides free treatment at hospitals for emergency and major problems, including maternity and geriatric care and free dental treatment for those under 18 years of age. Because public hospital waiting lists have lengthened, there is greater interest in private medical insurance. Therefore, private hospital care is becoming a more important player in the system. It is recommended that coverage for health problems and accidents be obtained before entering the country to ensure an adequate safety net.

New Zealand's telephone line density ratio is slightly over 477 lines per 1000 persons, which is comparable to the U.S. and European ratios. Their switch gear and line qualities are more than satisfactory for facsimile transmission. The country supports many long distance billing services (Telecom, MCI, AT&T, Sprint, and more). There are currently two cellular networks, BellSouth and Telecom. Rental services are available on both for visitors.

Weather is changeable, typically with short periods of a few days of settled or unsettled weather. A sweater should be carried even during the summer months, as the evenings can become cool. Because of the proximity to the ocean, the climate is temperate. The seasons are reversed from the Northern Hemisphere with summer weather during the 5-month November to March period. Temperature extremes are generally confined to locales in the mountainous areas in the North and South Islands.

TEMPORARY ENTRY OF GOODS: See Chapter VI, Temporary Entry

INFORMATION ON TYPICAL PRODUCT PRICING STRUCTURES

There is nothing unusual about the New Zealand market in the context of pricing strategy. Retailers often mark up a product between 50% and 100%, while distributors add an additional 10% to 30% margin. US firms have used the New Zealand market to test new pricing strategies. The Chrysler Corporation utilized a low, non-negotiable retail price structure when it introduced its Jeep line in New Zealand.

Guides for Business Representatives are available for sale by the Superintendent of Documents, U.S., Government Printing Office, Washington, D.C. 20402; telephone (202) 512-1800; fax (202) 512-2250. Business travelers to New Zealand seeking appointments with U.S. Embassy Wellington officials should contact the Commercial Section in advance. The Commercial Section can be reached by telephone at (011 64 9) 303-2038 or by fax at (011 64 9) 302-3156.

CHAPTER X. ECONOMIC AND TRADE STATISTICS

APPENDIX A - COUNTRY DATA

POPULATION: **3,792,000.** Provisional 12/31/98

Median Age:	33.1 years
Under 15:	23 %
15-64:	65 %
Over 65:	11 %
North Island:	74 %
South Island:	26 %

Populations (1998) of the larger urban regions (Regional Councils) in New Zealand are:

Auckland:	1,076,100
Christchurch:	339,500
Wellington:	346,400
Hamilton:	167,200

POPULATION GROWTH RATE: The annual rate of population change from 1997-1998 was 1%.

<u>RELIGIONS:</u> Anglican:	18 %
Presbyterian:	13 %
Roman Catholic:	14 %
Others:	29 %
None:	26 %

<u>GOVERNMENT SYSTEM:</u>	Parliamentary with no formal, written constitution.
Executive:	The British Monarch, represented by a Governor General, is the Head of State. The New Zealand Prime Minister is the head of Government and heads the cabinet.
Legislative:	One-house Parliament.
Judicial:	Three levels: District Courts, the High Court, and the Court of Appeals, with further appeal possible to the Privy Council in London.

LANGUAGES: English and Maori. Literacy is 99 percent.

WORK WEEK: Monday-Friday, with some retail outlets open on Saturday and Sunday.

Sources: Statistics New Zealand and American Embassy projections

APPENDIX B - DOMESTIC ECONOMY

(in millions of U.S. Dollars)

YEAR ENDING MARCH 31,	1998	1999	2000 (estimate)
GDP	52,046	52,147	54,548
Real GDP Growth Rate (%)	0.3	0.2	4.6
Per Capita GDP	13,818	13,694	14,257
Government Spending (%/GDP)	34.8	35.4	34.4
Unemployment Rate (%)	7.1	7.2	6.9
Consumer Price Index (% Growth)	1.3	1.0	2.2
Current Account Balance	(3,439)	(3,029)	(3,646)
Foreign Exchange Reserves	5,105	3,574	3,746
Average Exchange Rate (USD/NZD)	0.537	0.539	0.514
Debt Service Ratio	0.66	0.67	0.68

Source: Statistics New Zealand, the New Zealand Institute for Economic Research (NZIER) and Embassy Projections

APPENDIX C - TRADE

(in millions of U.S. Dollars)

YEAR ENDING JUNE 30,	1997	1998	1999
Total Exports (fob)	11,147	11,654	11,960
Total Imports (CIF)	11,302	11,972	12,660
Exports to U.S.	1,105	1,375	1,600
Imports from U.S.	1,788	1,975	2,200

Source: Statistics New Zealand and Embassy Projections

APPENDIX D - INVESTMENT

Table 1

NEW ZEALAND'S INTERNATIONAL INVESTMENT POSITION (in millions of N.Z. Dollars)

Year Ended March 31,	1996	1997	1998
FOREIGN INVESTMENT IN NEW ZEALAND			
Direct Investment in NZ	49,212	53,920	64,266
Equity capital	40,695	43,641	51,540
Other capital	8,518	10,279	12,725
Portfolio Investment in NZ	28,543	29,003	27,125
Equity Securities	425	1,503	310
Debt Securities	28,118	27,500	26,815
Other Investment	27,847	30,043	33,302
Loans	9,887	10,165	12,194
Currency and Deposits	16,889	18,615	18,931
Trade Credits	956	1,064	1,302
Other Liabilities	115	500	875
TOTAL	105,603	112,966	124,692
NEW ZEALAND INVESTMENT ABROAD			
Direct Investment abroad	13,163	9,706	10,439
Equity capital	18,812	18,838	19,508
Other capital	(,5649)	(9,132)	(9,070)
Portfolio Investment	8,573	9,253	12,468
Equity securities	6,497	7,040	8,958
Debt Securities	2,076	2,213	3,510
Other Investment	6,259	7,641	4,715
Trade Credits	7,108	7,239	1,384
Currency and Deposits	802	1,143	815
Loans	2,683	3,741	1,901
Other Assets	666	519	615
Official reserve assets	6,748	6,495	7,568
Total NZ investment abroad	34,742	33,096	35,189
Net International Investment Position	(70,861)	(79,870)	(89,504)

Source: Statistics New Zealand

Table 2

FOREIGN INVESTMENT FLOWS TO NEW ZEALAND
(in millions of NZ Dollars)

	1996	1997	1998
ALL TRANSACTIONS			
Total Consents Granted	339	281	289
Total Value	7,124	5,204	12,725
BY MAJOR ECONOMIC GROUPINGS			
North America	2,532	1,324	4,882
Europe	618	718	2,893
Asia	1,752	1,216	1,636
Oceania	2,016	1,654	3,056
Other	206	291	242
BY MAJOR COUNTRIES			
United States	1,752	1,026	4,449
Australia	1,016	1,654	3,056
Canada	776	298	433
United Kingdom	546	382	2,650
Singapore	322	133	55
Japan	63	46	1,371
Switzerland	16	58	63
Netherlands	38	103	38
Hong Kong	175	619	153

Source: Overseas Investment Commission

APPENDIX E - U.S. AND NEW ZEALAND CONTACTS

NEW ZEALAND GOVERNMENT DEPARTMENTS, CORPORATIONS, AND STATE-OWNED ENTERPRISES

Agriculture and Fisheries, Ministry of
Ph.: 64 (4) 472-0367; Fax: 64 (4) 472-9071/474-4244
Box 2526, Wellington.
Director-General (Acting): Dr. Peter O'Hara

Airways Corporation of New Zealand
Ph.: 64 (4) 471-1888; Fax: 64 (4) 471-0395
Box 294, Wellington.
CEO: Mr. Craig Sinclair

Civil Defense, Ministry of
Ph.: 64 (4) 473 7363; Fax: 64 (4) 473-7369
Box 5010, Wellington.
Director: Mr. P.N. Officer

Commerce Commission
Ph.: 64 (4) 471-0180; Fax: 64 (4) 471-0771
Box 2351, Wellington.
Chairman: Dr. A. Bollard

Commerce, Ministry of
Ph.: 64 (4) 472-0030; Fax: 64 (4) 473-4638
PO Box 1473, Wellington.
Secretary: Mr. Paul Carpinter

Contact Energy Ltd.
Ph.: 64 (4) 499-4991; Fax: 64 (4) 499-4003
PO Box 10-742, Wellington.
Chief Executive Officer: Mr. Paul Anthony

Customs Department
Ph.: 64 (4) 473-6099; Fax: 64 (4) 473-7370
Box 2218, Wellington.
Comptroller: Mr. G.W. Ludlow

Defense, Ministry of
Ph.: 64 (4) 496-0999; Fax: 64 (4) 496-0859
PO Box 5347, Wellington.
Secretary of Defense: Mr. G. Hensley

Electricity Corporation of New Zealand
Ph.: 64 (4) 472-3550; Fax: 64 (4) 473-3668
Box 930, Wellington.
Chief Executive: Mr. Dave Frow

Health, Ministry of
Ph.: 64 (4) 496-2000; Fax: 64 (4) 496-2340

Box 5013, Wellington.
Director-General: Dr. Karen Poutasi

New Zealand Police (National Headquarters)
Ph.: 64 (4) 474-9499; Fax: 64 (4) 474-9446
PO Box 3017, Wellington.
Commissioner: Peter Doone

Solid Energy New Zealand Ltd.
Ph.: 64 (4) 474-3600; Fax: 64 (4) 474-3601
Box 439, Wellington.
Chief Executive: Mr. Ian Collinson

Statistics New Zealand
Ph.: 64 (4) 495-4600; Fax: 64 (4) 472-9135
PO Box 2922, Wellington.
Government Statistician: Mr. L.W. Cook

NEW ZEALAND AGRICULTURAL COMMODITY BOARDS

Full Export Monopoly Boards:

Apple and Pear Marketing Board
Ph.: 64 (4) 473-1420; Fax: 64 (4) 472-2980
PO Box 3328, Wellington
Chief Executive: Mr. Gary Smith

Horticulture Export Authority
Ph: 64-4-471-0451
Fax: 64-4-471-2474
PO Box 1417, Wellington
General Manager: Gerard Prendergast

NZ Dairy Board
Ph.: 64 (4) 471-8300; Fax: 64 (4) 471-8600
PO Box 417, Wellington
Chief Executive: Warren Larsen

NZ Kiwifruit Marketing Board
Ph: 64-9-471-8300
Fax: 64-9-366-1208
PO Box 9906, Auckland
Chief Executive: Tony Marks
Chairman: Doug Voss
Non-Marketing Commodity Boards

NZ Meat Producers Board
Ph.: 64 (4) 473-9150; Fax: 64 (4) 472-3172
PO Box 121, Wellington
Chief Executive: Mr. Neil Taylor

NZ Wool Board

Ph.: 64 (4) 472-6888; Fax: 64 (4) 471-4663
PO Box 3225, Wellington
Chief Executive: Mr. Jeff Jackson

NEW ZEALAND BASED COMMERCIAL & ECONOMIC PERSONNEL

Edward Cannon, Senior Commercial Officer
U.S. Department of Commerce, U.S. & Foreign Commercial Service
American Consulate General
Commercial Reference Center
20 Shortland Street, 8th Floor or Private Bag 92022
Auckland
Ph.: 64 (9) 309-9810; Fax: 64 (9) 302-3156
E-mail: edward.cannon@mail.doc.gov
<http://www.ita.doc.gov/uscs/newzealand>
<http://www.uscs.co.nz>

American Embassy

Lysbeth Rickerman, Economic Officer
American Embassy
29 Fitzherbert Terrace or PO Box 1190
Thorndon, Wellington
Ph.: 64 (4) 472-2068, Ext 240; Fax: 64 (4) 472-3537

David Young, Agricultural Attaché
U.S. Department of Agriculture
American Embassy
29 Fitzherbert Terrace or PO Box 1190
Thorndon, Wellington
Ph.: 64 (4) 472-2068, Ext 293; Fax: 64 (4) 473-0772
E-Mail: ag.wellington@usda.america.org.nz

WASHINGTON BASED U.S. GOVERNMENT COUNTRY CONTACTS

Mr. Gary Bouck
New Zealand Desk Officer
U.S. Department of Commerce
Washington, D.C. 20230
Ph.: (202) 482-2471; Fax: (202) 482-5179

Ambassador Paul Cleveland
The United States-New Zealand Council
DACOR Bacon House
1801 F Street, N.W., 3rd Floor
Washington, D.C. 20006
Ph.: (202) 842-0772; Fax: (202) 842-0749

NEW ZEALAND BASED MULTIPLIERS

American Chamber of Commerce
Price Waterhouse Bld

Level 6, 66 Wyndham Street, Auckland
PO Box 106 002
Auckland 1
Ph.: 64 (9) 309-9140; Fax: 64 (9) 309-1090
Executive Director: Mr. Mike Hearn

New Zealand Chamber of Commerce
Ph.: 64 (4) 472-3376; Fax: 64 (4) 471-7161
Box 11-043, Manners Street, Wellington.
International Trade Manager: Mr. Tim Fowler

CHAPTER XII. MARKET RESEARCH AND TRADE EVENTS

APPENDIX F - MARKET RESEARCH

1. LISTING OF RECENTLY PUBLISHED AND FORTHCOMING DEPARTMENT OF COMMERCE INDUSTRY SECTOR ANALYSES (ISA'S)

	Published	Proposed
Agricultural Chemicals (Plant Protection)	9/98	
Agriculture Equipment	6/97	
Apparel & Textiles	9/98	
Automotive Parts & Accessories	1/98	
Aviation	12/96	5/00
Banking Equipment	3/98	
Banking Services	10/98	
Boating Components	4/97	
Books (Pleasure)	11/98	
Building Products	5/98	7/00
Building and Construction Services	10/98	
Business Consulting Services	10/98	
Computers (Software)	10/99	
Computers (Peripherals)	2/98	
Corporate Gifts and Promotional Products	4/99	
Cosmetics and Toiletries	1/98	
Defense	10/98	
Drug & Pharmaceuticals	9/98	
Energy (Wind)	11/97	
Fertilizer	10/98	
Films, Videos, Recordings	2/99	
Food Processing & Packaging Equipment	11/95	2/00
Forestry Equipment	7/95	6/00
Franchising	12/96	12/99
Furniture	6/97	
Hotel, Restaurant Equipment	7/99	
Household Electrical Appliances	6/99	
Insurance Services	5/98	10/00
Laboratory and Science Equipment	5/98	
Lighting	9/98	
Medical Equipment (Disposables)	12/97	
Plastic Materials & Resins	6/96	12/99
Paper Products (Sanitary)	09/98	
Printing Equipment	4/98	
Seafood	9/98	
Security Equipment (Retail)	07/98	
Sporting Goods	10/98	
Telecommunications	9/98	
Travel and Tourism Services	1/98	4/00
Transportation (Forestry Trucking)	10/97	

2. USDA/FAS/COMMODITY REPORTS AND MARKET BRIEFS

The Foreign Agricultural Service (FAS) monitors and evaluates the New Zealand agricultural marketplace and makes available many valued market information reports on an annual basis. Individual hard-copy reports are available on the New Zealand agriculture from the USDA.

USDA/FAS-Reports Office
Stop 1070, South Building
Washington, D.C. 20250
Fax: 202-720-7729.

A wide array of reports is also available on the Internet through the FAS home page, <http://www.usda.gov/fas>.

3. FCS reports less than three years old are available on the National Trade Data Bank which can be accessed on internet, "<http://www.stat-usa.gov/stat-usa.html>" or on CD-ROM format. FCS reports older than three years are available directly from the office of US&FCS New Zealand.

APPENDIX G - TRADE EVENT SCHEDULE

1. MAJOR EXHIBITIONS - NEW ZEALAND PRIVATE SECTOR SPONSORED

<u>SCT</u>	<u>DATE</u>	<u>EXHIBITION, LOCATION</u>
GFT	Oct 3-5 1999	Christmas Stocking Fair, Auckland
HTL	Oct 10-12 1999	National Hospitality '99, Auckland
FOD	Oct 10-12, 1999	NZ Wine Trade Fair, Auckland
HCG	Oct 15-17 1999	Canterbury Home & Interiors, Christchurch
CPT	Nov 5-7 1999	Totally Wired, Auckland
TRA	Feb 14, 2000	Visit USA Seminar, Auckland
TRA	Feb 15, 2000	Visit USA Seminar, Wellington
HCG	Mch 3-5, 2000	Otago House & Garden Show, Dunedin
GGT	Mch 26-28, 2000	Autumn Gift Fair 2000, Auckland
CPT	April 2-4, 2000	IDG ComputerWorld, Auckland
CON	April 6-8, 2000	Drury 2000, Auckland
HCG	April 7-9, 2000	Palmerston North Home World, Palmerston North
ELP	May 16-18, 2000	Emex, Auckland
HCG	May 26-28, 2000	Invercargill Home World, Invercargill
AGM	June 14-17, 2000	Fieldays, Hamilton
DRG	June 24-26, 2000	Pharmacy, Auckland
CPT	July 19-20, 2000	Strictly Business Computer Expo, Auckland
HCG	Aug 25-27, 2000	Tauranga Home World, Tauranga
HCG	Sep 6-10, 2000	Auckland Home Show, Auckland
GFT	Sep 10-12, 2000	South Island Gift Fair, Christchurch
HTL	Sep 17-19, 2000	National Hospitality 2000, Auckland
HCG	Sep 22-24, 2000	Palmerston North Home World, Palmerston North
GFT	Oct 1-3, 2000	Christmas Stocking Fair, Auckland
FOD	Oct 10-12, 2000	Foodtech 2000, Auckland
PKG	Oct 10-12, 2000	Packtech 2000, Auckland
HCG	Oct 13-15, 2000	Canterbury Home & Interiors 2000, Auckland
CPT	Nov 3-5, 2000	Totally Wired, Auckland

2. USG SPONSORED EVENTS

The U.S. Department of Commerce, Department of State, Office of the U.S. Trade Representative, Department of Agriculture, et al Federal Components will be major participants in the convening of the various APEC meetings culminating with the major Joint Ministerial and 21-nation APEC Leaders Meeting in Auckland during September 9-13, 1999.

US&FCS is currently scheduled to host several trade missions during FY 00 commencing October 1, 1999; the first being for the State of Wisconsin during November 3-5, 1999; and, the second for the City of San Diego and its World Trade Center during the April 2000 time frame.